AR12

1964

Annual Report

Our Twenty-First Year

NEW METALORE MINING COMPANY LTD.

front cover photo:

PLANT AND SHAFTS OF NORMETAL MINING CORPORATION LIMITED, now Canada's deepest copper - zinc producer, with operations extending some 6800 feet below surface and currently exploring to nearly 8000 ft.

Normetal's 28 year cumulative production record is scheduled to exceed $200,000,000.00 in gross metals* recovered by year end, 1964.

* Copper, Zinc, Silver, Gold and Pyrite.

see also back cover map

NEW METALORE MINING COMPANY LIMITED

Box 422, Simcoe Ont.
519- 426-2464 Telephone

Officers and Directors	GEORGE W. CHILIAN, *President and Managing Director . . . . Toronto, Ont.*
	HAROLD E. LARSON, *Vice-President and Director . . . North Branch, Minnesota*
	FRANK J. FOLDESI, *Vice-President and Director . . . St. Paul, Minnesota*
	GEORGE CHILIAN Sr., *Director . . . . . St. Paul, Minnesota*
	JOHN O. BARSAMIAN, *Director . . . . . Chicago, Illinois*
	FRANK D. NASSO, *Director . . . . . Toronto, Ont.*
	THEODORE RATZ, *Director . . . . . Toronto, Ont.*
Executive Office	*62 Richmond St. W., Suite* 605 . . . . . *Toronto, Ont.*
Mine Address	*Box* 500, *Normetal, Que.*
Auditors	RIDDELL, STEAD, GRAHAM & HUTCHISON . . *Toronto, Ont.*
Bankers	CANADIAN IMPERIAL BANK OF COMMERCE . *Toronto, Ont.*
	GUARANTY TRUST COMPANY OF CANADA . . *Toronto, Ont.*
	BANQUE CANADIENNE NATIONALE . . . . *Normetal, Que.*
Registrar and Transfer Agent	CANADA TRUST COMPANY . . . . . *Toronto, Ont.*

Drilling for copper in Northwestern, Quebec

Directors' Report

TO THE SHAREHOLDERS:

The Directors are pleased to submit herewith your Company's Annual Report for the fiscal period ending March 31, 1964. Included are the Audited Financial Statements and summary reports on the (1.) recent exploration program and future plans for our Normetal Area properties, and (2.) current developments on our petroleum leases in Ontario.

EXPLORATION AT NORMETAL

In the summer of 1962 detailed Electromagnetic and correlated Magnetic Geophysical Surveys were completed over our entire 94 claim property adjoining the Normetal Mine. Some sixty anomalies were detected and a reconnaissance diamond drilling program was commenced during the fall of 1962. Drilling continued until late in 1963 after 31 holes totalling some 12,000 lineal feet had been completed on selective targets across the seven mile long property. The geophysics proved efficient to moderate depths as twenty nine of these holes returned substantial sections of sulphide mineralization, while two were structural borings. Three of these holes on separate targets cut short sections assaying near ore grade in (1) Copper, (2) Zinc, Lead and Silver, and (3) Zinc. These values will be further explored with follow-up drilling.

Five supplementary geophysical surveys, employing three different techniques were completed on specific locations within the western sector of the property during and after the 1962 - 1963 drilling campaign. The largest and most recent of these subsequent surveys, completed early in 1964, employing the deeper penetrating Turam Electro-Magnetic method has revealed several new targets within the strategic area of significant values. Most of these new anomalies are considered technically superior to the anomalies previously drilled, and a deep drilling program to investigate a minimum of twelve targets will be undertaken later this year.

Texas Gulf Sulphur

In the Spring of 1964 the sensational (now over 100 million tons) base metal — silver discovery of the Texas Gulf Sulphur Company north of Timmins was announced. Texas Gulf has revealed that its discovery climaxed several years of exploration employing geophysics and methodical drilling, and that some sixty anomalies were drilled over a wide area before "paydirt" was finally hit. The deposit now is the largest and richest known ore occurrence of its kind in North America. Since geological conditions at Normetal and the Texas Gulf discovery are similar, and both lie along the same broad belt of volcanic rocks, New Metalore staked further acreage extending westerly (toward Timmins) from its main property for several miles along the favorable rhyolite — andesite contacts.

Directors' Report (continued)

Your Company is now planning to commence a further $100,000.00 to $300,000.00 development program sometime in 1965 on its ENLARGED holdings, and it is expected that initial revenues from our natural gas production will more than adequately accommodate this project.

GAS AND OIL DEVELOPMENT

New Metalore's initial attempt to develop its petroleum leases resulted in the completion of a successful gas well early in June, 1964, and immediately thereafter a second drilling rig was added to accelerate the program. At this writing the second and third wells have also been completed as successful producers of significant magnitude, and the twin rigs are already underway on the fourth and fifth locations. The STEPOUT category of our second and third wells has directly proven some twelve additional OFFSET locations which now await drilling.

Within the next several months your Company also expects to drill a deep WILDCAT for OIL to the important Cambrian beds which prominantly lie at depth (3500 - 4000 feet) in this same area.

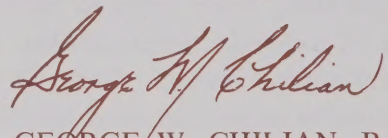
Economics of Natural Gas Production

A significant factor of our gas wells is the comparatively shallow depth (1200 feet) in relation to the high rock pressure (exceeding 600 pounds per square inch) where the wide pay zones occur; which indicates a very large reservoir of natural gas exists in this new field. It should also be noted that this gas is found in the same productive strata as the nearby Haldimand Field, which has been a major source of Canada's most prolific gas production for over half a century.

New Metalore's 100% interest in a considerable acreage throughout this now proven area represents important potential for development, expansion, and possible control of a promising new gas field, and we look forward, with enthusiasm to a highly profitable revenue from this source for many years to come. Furthermore, this revenue represents the FIRST steady income to be realized by New Metalore in over two decades of exploration endeavors, and solidly marks a progressive TURNING POINT to the future.

Respectfully submitted,

On behalf of the Board,

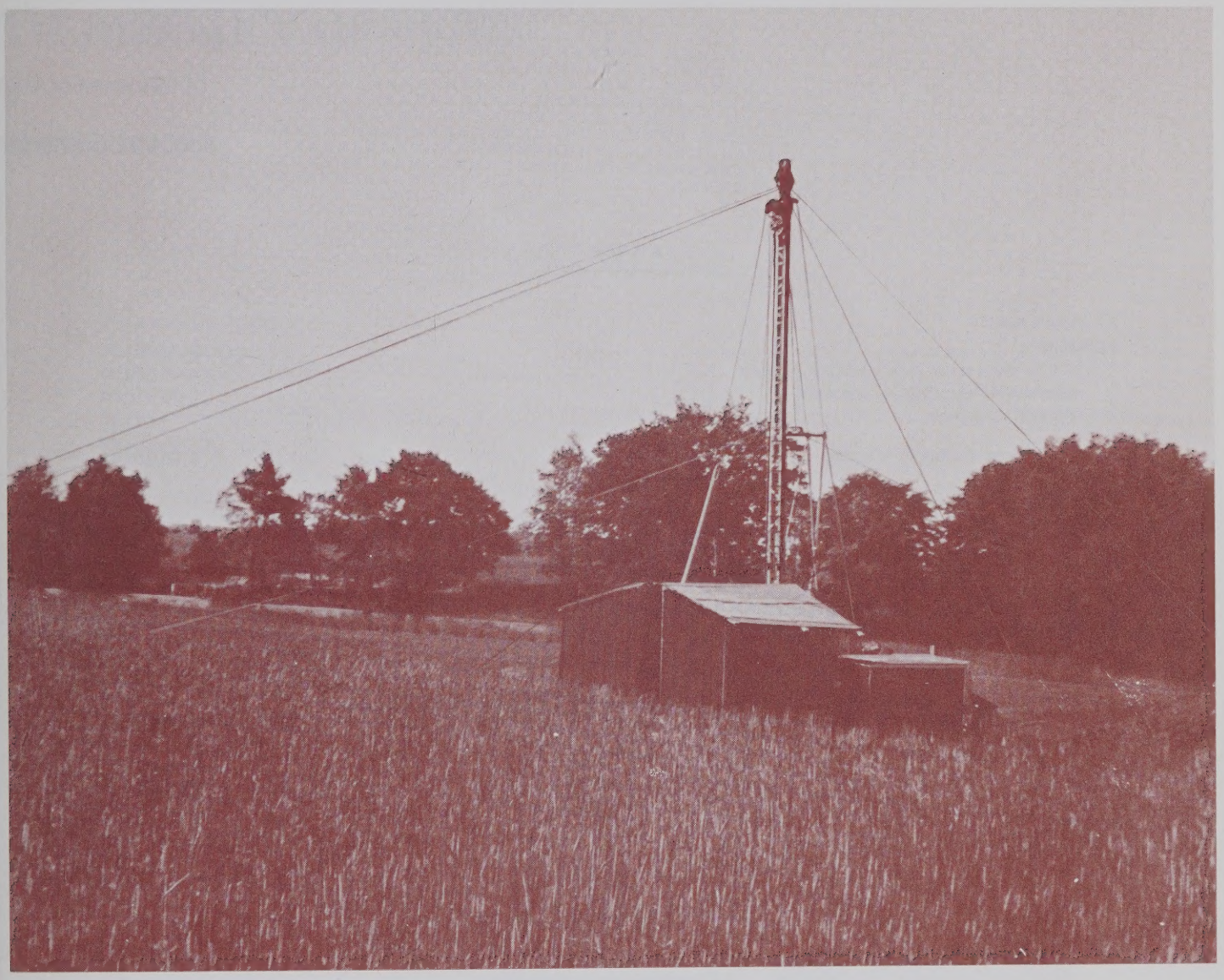


GEORGE W. CHILIAN, B.A.

President.

August 15th, 1964

Toronto, Ontario



Drilling for gas in Southwestern, Ontario

NEW METALORE MI

(Incorporated under

BALANCE SHEET

ASSETS

CURRENT ASSETS		
Cash		$ 20,001.92
4⅛% short-term trust company deposit		20,000.00
Marketable securities — see note		15,350.00
Prepaid expenses		4,865.00
TOTAL CURRENT ASSETS		$ 60,216.92
PROPERTIES AND RELATED EXPENDITURES		
74 unpatented mining claims in the Normetal Area and 10 claims in the Coniagas Area, all in the Province of Quebec (consideration 1,332,989 shares of capital stock valued at 15¢ per share, 350,000 shares valued at 10¢ per share and $16,886.49 cash)	$251,834.84	
Development and administrative expenses — see statement	284,965.62	
Equipment, at cost	5,127.57	
	$541,928.03	
Petroleum and natural gas leases covering 24,110 acres in Southwestern Ontario acquired for a cash consideration of	2,554.10	$544,482.13
		$604,699.05

AUDITORS' REPORT

To the Shareholders

New Metalore Mining Company Limited

We have examined the balance sheet of New Metalore Mining Company Limited as at March 31, 1964 and the statements of deficit, contributed surplus and development and administrative expenses from August 15, 1962 to March 31, 1964. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of deficit, contributed surplus and development and administrative expenses present fairly the financial position of the company as at March 31, 1964 and the results of its operations for the period August 15, 1962 to March 31, 1964, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

April 27, 1964

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants

NG COMPANY LIMITED

rporations Act of Ontario)

T MARCH 31, 1964

LIABILITIES

CURRENT LIABILITIES				
Accounts payable				$ 1,689.19
Advances from director				659.33
TOTAL CURRENT LIABILITIES				$ 2,348.52
SHAREHOLDERS' EQUITY				
CAPITAL STOCK —				
Authorized —				
6,000,000 shares, par value $1.00 per share				
Issued —				
4,930,000 shares (695,885 shares issued since August 15, 1962 for cash)				
	PAR VALUE	DISCOUNT	NET	
For property	$1,912,989.00	$1,663,540.65	$249,448.35	
For cash	3,017,011.00	2,594,828.66	422,182.34	
	$4,930,000.00	$4,258,369.31	$671,630.69	
Contributed surplus			16,000.00	
			$687,630.69	
Deficit			(85,280.16)	$602,350.53
				$604,699.05

Approved on behalf of the Board:

GEORGE W. CHILIAN, *Director*
HAROLD E. LARSON, *Director*

NOTE TO FINANCIAL STATEMENTS
FOR THE PERIOD AUGUST 15, 1962 TO MARCH 31, 1964

Marketable securities include the following:

20,000 shares of Coniagas Mines, Ltd., valued at	$15,000.00
100 shares of Normetal Mining Corp. Ltd., valued at	350.00
	$15,350.00

The valuation for shares of Coniagas Mines Ltd. is based on the sale price of a portion of the holdings sold at a profit subsequent to March 31, 1964. The valuation for shares of Normetal Mining Corp. Ltd. is based on Toronto Stock Exchange prices on March 31, 1964.

NEW METALORE MINING COMPANY LIMITED

STATEMENT OF CONTRIBUTED SURPLUS
FOR THE PERIOD AUGUST 15, 1962 TO MARCH 31, 1964

Balance August 15, 1962 and March 31, 1964	$16,000.00

STATEMENT OF DEFICIT
FOR THE PERIOD AUGUST 15, 1962 TO MARCH 31, 1964

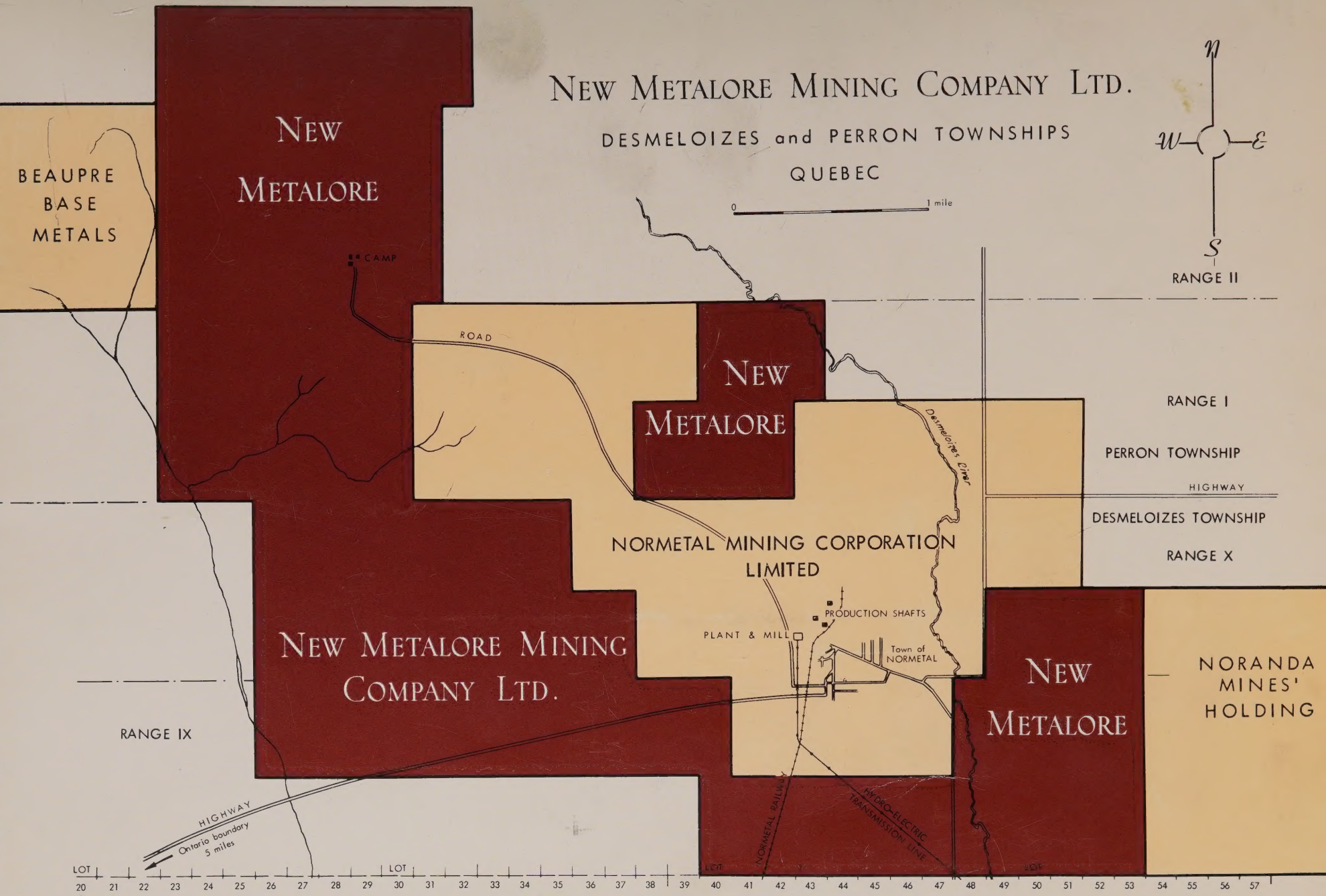
Balance August 15, 1962		$85,960.93
Add		
Mining claims abandoned, at cost	$ 600.00	
Brokerage fees on sale of treasury stock	1,012.22	1,612.22
		$87,573.15
Deduct		
Profit on sale of investments	357.49	
Write-up of marketable securities from cost to book value — see note	1,935.50	2,292.99
Balance March 31, 1964		$85,280.16

STATEMENT OF DEVELOPMENT AND ADMINISTRATIVE EXPENSES
FOR THE PERIOD AUGUST 15, 1962 TO MARCH 31, 1964

	BALANCE AUGUST 15, 1962	EXPENDITURES FOR THE PERIOD	BALANCE MARCH 31, 1964
Development Expenses			
Mining claims — Desmeloizes and Perron Townships, Quebec			
Exploration expenses	$ 1,422.02	$ 560.38	$ 1,982.40
Development expenses	17,348.04	11,148.28	28,496.32
Diamond drilling	66,594.89	32,894.87	99,489.76
Assays	891.38	152.21	1,043.59
Engineering fees and expenses	9,911.47	9,035.00	18,946.47
Licenses, fees and taxes	18,099.14	3,231.50	21,330.64
Travelling expenses	6,486.18	790.05	7,276.23
Geophysical surveys	13,000.00	8,294.00	21,294.00
	$133,753.12	$66,106.29	$199,859.41
Administrative and General Expenses			
Advertising	$ 2,260.47	$ 172.39	$ 2,432.86
Travelling	14,452.88	4,307.64	18,760.52
Registrar and transfer fees	8,341.14	937.42	9,278.56
Government fees and taxes	2,001.97	158.69	2,160.66
Rent	8,204.00	782.50	8,986.50
Printing and stationery	1,099.18	192.86	1,292.04
Postage, telephone and telegraph	6,923.66	980.30	7,903.96
Legal and audit	13,236.69	1,925.00	15,161.69
Secretarial fees and salaries	10,025.00	2,350.00	12,375.00
Office and general expenses	5,421.18	624.66	6,045.84
Interest and bank charges	1,761.71	42.13	1,803.84
Investment income	(27.00)	(1,068.26)	(1,095.26)
	$ 73,700.88	$11,405.33	$ 85,106.21
	$207,454.00	$77,511.62	$284,965.62

back cover map:

EXTENSIVE HOLDINGS OF NEW METALORE MINING COMPANY LIMITED in relation to property boundaries and operations of Normetal Mining Corporation Limited, in Northwestern Quebec.


NEW METALORE MINING COMPANY LTD.
DESMELOIZES and PERRON TOWNSHIPS
QUEBEC
0
1 mile
N
W
E
S
BEAUPRE BASE METALS
NEW METALORE
CAMP
ROAD
NEW METALORE
RANGE II
RANGE I
PERRON TOWNSHIP
HIGHWAY
DESMELOIZES TOWNSHIP
RANGE X
Desmeloizes River
NORMETAL MINING CORPORATION LIMITED
PRODUCTION SHAFTS
PLANT & MILL
Town of NORMETAL
NEW METALORE MINING COMPANY LTD.
NEW METALORE
NORANDA MINES' HOLDING
RANGE IX
HIGHWAY
Ontario boundary
5 miles
NORMETAL RAILWAY
HYDRO-ELECTRIC TRANSMISSION LINE
LOT
20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57